

# ***Indiana Legislative Services Agency***

## ***Fiscal Issue Brief***

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### **Indiana's Geographically Targeted Development Programs: Certified Technology Parks**

#### ***Introduction***

The Certified Technology Park (CTP) program was established by P.L. 192-2002(ss) [IC 36-7-32] to facilitate the location of businesses involved in high technology activity to Indiana and significant job creation by these businesses. Pursuant to the statutes authorizing the CTP program, high technology business activity suitable for a CTP includes activities involving the following:

1. Advanced computing;
2. Advanced materials;
3. Biotechnology;
4. Electronic device technology;
5. Engineering or laboratory testing related to product development;
6. Technology relating to the assessment or prevention of health or environmental threats;
7. Medical device technology;
8. Product research and development; and
9. Advanced vehicles technology.

A CTP must be proposed by a county, municipality, or township with the CTP comprising territory under the jurisdiction of the local unit's redevelopment commission. In addition, a CTP proposed by a local unit must be designated by the Indiana Economic Development Corporation (IEDC).<sup>1</sup> CTP designation must be predicated on the business activity and level of job creation by the business. CTP designation also may be predicated on the level of support or commitment of certain facilities, services, activities, or funding from:

1. An institution of higher education;
2. A private, research-based institute; or
3. A military research and development or testing facility on an active U.S. military base or other military installation.

A local unit operating a CTP is authorized to make various public improvements in the CTP, such as infrastructure improvements and construction of various facilities, including business incubator facilities. To fund the public improvements, territory in a CTP may be designated as a TIF area. In addition, CTPs are allowed to capture Sales Tax and Income Tax revenue.

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<sup>1</sup> Until 2005, the Indiana Department of Commerce approved, reviewed, and monitored the CTP program.

## ***Locations***

Since the inception of the program, 19 CTPs have been designated, with the first established in Anderson. Table 1 provides a list of Indiana's CTPs along with the designation and recertification dates of each.

**Table 1: Certified Technology Park Locations, Designation Years, and Recertification Dates.**

<b>Location</b>	<b>Year of Designation</b>	<b>Recertification Date</b>	<b>Location</b>	<b>Year of Designation</b>	<b>Recertification Date</b>
Anderson	2003	2007	Kokomo	2004	2009
Bloomington	2005	Pending	Muncie	2004	2009
Columbus	2004	2009	Richmond	2004	2009
Crown Point	2006	Pending	Scottsburg	2004	2009
Evansville	2004	2009	Shelbyville	2003	2007
Fort Wayne	2003	2009	South Bend	2009	N/A
Hammond	2003	2009	Terre Haute	2004	2009
Indianapolis	2003	2008	West Gate at Crane Naval Warfare Ctr.	2006	Pending
Indianapolis	2005	Pending	West Lafayette	2003	2007
Jeffersonville	2005	Pending			

Source: Indiana Economic Development Corporation, January 2010.

## ***Review and Recertification***

CTPs are subject to the review of the IEDC and must be recertified every four years. A CTP must provide the following information for purposes of the review:

- (1) Total employment and payroll levels for all businesses operating within the CTP.
- (2) The nature and extent of any technology transfer activity occurring within the CTP.
- (3) The nature and extent of any nontechnology businesses operating within the CTP.
- (4) The use and outcomes of any state money made available to the CTP.
- (5) An analysis of the CTP's overall contribution to the technology-based economy in Indiana.

The IEDC may terminate or rescind the designation of an area as a CTP if the local redevelopment commission or the legislative body of the local unit that established the redevelopment commission does not comply with the terms of the agreement made with the IEDC.

## ***Sales and Income Tax Capture by CTPs***

CTPs are authorized to capture incremental revenue from Sales Tax, state Income Tax, and local option income taxes generated in the CTP. While there is no annual incremental revenue capture limit for CTPs, there is a lifetime capture limit applicable to CTPs. The maximum amount of incremental Sales Tax, state Income Tax, and local option income tax revenue that a CTP may capture during its lifetime is \$5 M. Captured revenue from each CTP is deposited in the CTP's incremental tax financing fund administered by the Treasurer of State. The captured revenue is transferred from these funds to the CTP funds established by the local redevelopment commissions. Table 2 reports the Sales Tax, state Income Tax, and local option income tax revenue captured by each CTP since the incipience of the program.

**Table 2: Revenue Captured by Certified Technology Parks, FY 2003-2009.**

Location	State Fiscal Year							Total
	2003	2004	2005	2006	2007	2008	2009	
Anderson	-	52,626	599,144	328,843	506,291	-	-	<b>1,486,904</b>
Bloomington	-	-	5,283	48,600	117,921	213,615	873,912	<b>1,259,331</b>
Columbus	-	-	-	-	-	-	-	<b>0</b>
Crown Point	-	-	-	-	128,735	433,560	411,270	<b>973,565</b>
Evansville	-	1,519,964	1,582,514	1,588,978	308,544	-	-	<b>5,000,000</b>
Fort Wayne	-	-	-	207,380	331,557	337,376	318,133	<b>1,194,446</b>
Hammond	-	-	-	-	-	-	-	<b>0</b>
Indianapolis (Downtown)	-	4,884,633	115,367	-	-	-	-	<b>5,000,000</b>
Indianapolis (InTech)	-	-	455,604	162,869	-	-	-	<b>618,473</b>
Jeffersonville	-	-	141,461	164,622	378,612	493,543	608,894	<b>1,787,132</b>
Kokomo	-	-	39,420	66,768	96,214	191,001	260,622	<b>654,025</b>
Muncie	-	26,502	282,118	443,928	963,462	483,923	174,877	<b>2,374,810</b>
Richmond	-	-	-	423,824	814,935	943,528	1,575,540	<b>3,757,827</b>
Scottsburg	-	461,531	424,506	442,407	522,962	698,822	1,061,055	<b>3,611,283</b>
Shelbyville	-	-	14,163	233,363	251,095	206,952	366,067	<b>1,071,640</b>
South Bend	-	-	-	-	-	-	-	<b>0</b>
Terre Haute	-	-	862,098	418,517	487,649	-	-	<b>1,768,264</b>
West Gate at Crane Naval Warfare Center	-	-	-	-	51,393	131,793	1,362,922	<b>1,546,108</b>
West Lafayette	156,875	270,569	675,961	924,581	1,058,963	1,118,926	794,125	<b>5,000,000</b>
<b>TOTAL</b>	<b>156,875</b>	<b>7,215,825</b>	<b>5,197,639</b>	<b>5,454,680</b>	<b>6,018,333</b>	<b>5,253,039</b>	<b>7,807,417</b>	<b>37,103,808</b>

Source: Indiana Department of State Revenue.

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